

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
August 11, 2021

Maudelle Miller Shirek Community, located at 2001 Ashby Avenue in Berkeley, requested and is being recommended for a reservation of \$3,801,458 in annual federal tax credits to finance the new construction of 86 units of housing serving large families with rents affordable to households earning 20-60% of area median income (AMI). The project will be developed by Resources for Community Development and will be located in Senate District 15 and Assembly District 9.

The project financing includes state funding from the NPLH, IIG, and AHSC programs of HCD.

Project Number CA-21-613

Project Name Maudelle Miller Shirek Community
 Site Address: 2001 Ashby Avenue
 Berkeley, CA 94703 County: Alameda
 Census Tract: 4235.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,801,458	\$0
Recommended:	\$3,801,458	\$0

Applicant Information

Applicant: Resources for Community Development
 Contact: Daniel Sawislak
 Address: 2220 Oxford St.
 Berkeley, CA 94704
 Phone: (510) 841-4410
 Email: dsawislak@rcdhousing.org

General Partner(s) or Principal Owner(s): RCD GP III LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Resources for Community Development
 Developer: Resources for Community Development
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Community Economics
 Management Agent: The John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 87
 No. / % of Low Income Units: 86 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
Geographic Area: East Bay Region
TCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
20% AMI: 5	5%
30% AMI: 20	23%
50% AMI: 28	32%
60% AMI: 33	38%

Unit Mix

18 SRO/Studio Units
21 1-Bedroom Units
26 2-Bedroom Units
22 3-Bedroom Units
<u>87 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 SRO/Studio	20%	\$479
4 SRO/Studio	30%	\$719
7 SRO/Studio	50%	\$1,198
5 SRO/Studio	60%	\$1,438
3 1 Bedroom	20%	\$513
5 1 Bedroom	30%	\$770
5 1 Bedroom	50%	\$1,284
8 1 Bedroom	60%	\$1,541
6 2 Bedrooms	30%	\$924
7 2 Bedrooms	50%	\$1,541
12 2 Bedrooms	60%	\$1,849
2 3 Bedrooms	30%	\$1,068
3 3 Bedrooms	30%	\$1,068
9 3 Bedrooms	50%	\$1,781
8 3 Bedrooms	60%	\$2,137
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,385,717
Construction Costs	\$53,306,397
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,351,900
Soft Cost Contingency	\$497,774
Relocation	\$0
Architectural/Engineering	\$2,210,089
Const. Interest, Perm. Financing	\$6,047,982
Legal Fees	\$31,424
Reserves	\$1,382,333
Other Costs	\$3,450,054
Developer Fee	\$4,000,000
Commercial Costs	\$1,387,828
Total	\$84,051,499

Residential

Construction Cost Per Square Foot:	\$780
Per Unit Cost:	\$950,157
True Cash Per Unit Cost*:	\$933,467

Construction Financing

Source	Amount
Tax Exempt Bond- Chase Bank	\$42,607,471
Construction Loan- Chase Bank	\$25,834,984
City of Berkeley	\$3,068,000
HCD IIG	\$4,000,000
GP Equity	\$126,840
Tax Credit Equity	\$3,573,371

Permanent Financing

Source	Amount
Permanent Bond- Chase Bank	\$6,157,000
HCD AHSC	\$15,797,796
HCD NPLH	\$3,462,255
HCD IIG	\$4,000,000
City of Berkeley	\$17,000,000
Deferred Developer Fee	\$1,476,401
GP Equity	\$625,840
Tax Credit Equity	\$35,532,207
TOTAL	\$84,051,499

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$73,104,965
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$95,036,455
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,801,458
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,000,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.93470

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions

This projects estimated cost per unit is \$933,467. The applicant noted the cost is due in part to payment of prevailing wages and accessibility requirements. In addition, demolition and soil remediation will be

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.